

1 to influence them.

2 Q You write:

3 "Miguel is working on a meeting with
4 [REDACTED] the third guy in the room, to see
5 how much money it will take to convince them."

6 A Okay.

7 Q Is [REDACTED] someone who works at
8 Gemini?

9 A He was the technical lead as I
10 recall.

11 Q Was Ripple willing to pay Gemini to
12 convince them to list XRP?

13 A It's possible. I think we were just
14 trying to figure out what -- what it would
15 take to get them to list XRP and we asked --
16 we talked to them about a lot of different
17 scenarios or different incentives and they
18 kind of just stonewalled us. And so -- yeah,
19 it was more just pulling at the corners.

20 Q And with respect to Coinbase, did
21 you have an understanding as to why they
22 didn't accept the offer or didn't list XRP at
23 the time in 2017?

24 A So which question you asking?

25 Q Did you have an understanding as to

1 why Coinbase didn't accept the offer from
2 Ripple?

3 A Just purely speculative. No, I
4 don't know.

5 Q Did you have an understanding as to
6 why Coinbase did not list XRP during that time
7 period?

8 A Again, purely speculative, I don't
9 know.

10 MS. WAXMAN: I will have this marked
11 as Exhibit 127.

12 (SEC Exhibit No. 127 was
13 marked for
14 identification.)

15 Q I'm showing you what's been marked
16 as Exhibit 127, which is a copy of your
17 Twitter feed beginning in February 2011 up to
18 the present. And I apologize that it's very
19 small and very hard to read.

20 A Okay.

21 (The witness examined the document.)

22 Q I'm going to ask you to turn your
23 attention to the date, the sixth page at the
24 very bottom, the entry on November 29th, 2017?

25 A Okay. There's two -- there's

1 actually several.

2 Q Sorry. The one at the very bottom
3 of the page about "Coinbase."

4 A Okay.

5 Q Did you start a petition on
6 Change.org to get Coinbase to list XRP?

7 A I don't think so. It's possible. I
8 don't think so though. If anything, I think I
9 just signed it. I don't think I made a
10 petition to get Coinbase to list it. But no,
11 I don't think I did that. Yeah, no.

12 Q In general, did you use your Twitter
13 for business purposes?

14 A A little bit, I don't really
15 remember being a very active Twitter person.

16 Q Did anyone at the company ever
17 direct you to tweet certain announcements?

18 A Yes.

19 Q And during what period of time?

20 A I don't know.

21 Q Did anyone at the company look at
22 your social media?

23 A I think so, yes.

24 Q Who was that?

25 A It would have been the marketing

1 team.

2 Q Was that a general practice by the
3 marketing team?

4 A To?

5 Q To review employees social media?

6 A I don't know.

7 Q How did you know that they were
8 looking at your social media?

9 A Well, okay, just to be clear. I
10 don't know if they were reviewing it actively.
11 They were -- it was part of their public
12 outreach; but I don't know if they were sort
13 of actively sort of looking through
14 everybody's tweets and things like that.

15 Q When you say "part of their
16 outreach," they were telling various people at
17 the company to tweet certain things?

18 A Yes.

19 Q If you turn to the third to last
20 page, the page that has "CGI" on it.

21 A Yes.

22 Q In the middle of the page, "April
23 7th, 2016"?

24 A Okay.

25 Q You write:

1 "XRP will also be central to our
2 company's success."

3 A Yes.

4 Q What did you mean by that?

5 A Well, the lines above and below that
6 are important. So, there was a New York Times
7 article, I think pretty prominent article,
8 that came out in the New York Times that
9 seemed to indicate that Ripple Inc., as a
10 company, was really focused on just building
11 out a payment network that was not a crypto
12 currency based network. They then issued a
13 correction about that.

14 And so, that's sort of what I was
15 referring to.

16 Q If you turn to December 2016, and
17 it's the page with "Huffpost" on the top. On
18 December 15th you write:

19 "XRP quarter Ripple strategy and the
20 time is right for us to feature XRP more
21 prominently." What are you referring to
22 there?

23 A I think there was a portal that I'm
24 linking to that was newly launched, I recall
25 it was right around then. That is sort of an

1 overview of XRP, what XRP is, some stats
2 around it; that's it.

3 I will add some background on that
4 the context is very important.

5 There was a shift to -- with
6 customers to not start with XRP for a period
7 of time given the headline risk associated
8 with crypto currencies certainly in the early
9 days. And the landscape changed and the
10 landscape evolved and it became possible to
11 talk about it more and people had a deeper
12 understanding of what crypto currency and
13 blockchain technologies. And I think we can
14 feature it more prominently within our
15 technology offerings.

16 Q Did you have any involvement in the
17 in the company's decision to issue XRP market
18 reports?

19 A Yes.

20 Q What was your involvement?

21 A I largely -- well, I largely
22 reviewed them.

23 Q Taking a step back. I'm just
24 talking about the decision to issue the
25 reports not just the actual issuance of it.

1 Did you have any involvement in the decision
2 to publish these reports?

3 A Yes.

4 Q And what was your involvement?

5 A My involvement --

6 Q In --

7 A -- with the report or with the
8 decision?

9 Q Your involvement in the decision?

10 A Yeah, I agreed with it and advocated
11 it.

12 Q Why did you advocate for it?

13 A I thought it was a good idea to be
14 transparent about what Ripple Inc. was doing
15 with it's XRP holdings and also to provide
16 sort of our take on what was happening in the
17 crypto currency markets more broadly.

18 And again, the context is important.
19 I think Ripple Inc. was -- has really I think
20 been not the beneficiary of a whole lot of
21 positivity coming from the Bitcoin community.
22 And so, there's a lot of misinformation out
23 there. And so, the quarter report was just
24 another avenue to correct the misinformation
25 and provide some visibility into what Ripple

1 Inc. was doing.

2 Q Did the company want to provide
3 visibility into it's efforts in connection
4 with creating value for XRP.

5 A I think so, if I understand your
6 question right.

7 Q How would that have an affect on
8 XRP's price?

9 A Well, I think it had -- it's in some
10 ways done with an eye towards the market
11 around -- with the crypto currency market and
12 the people who are active within it and
13 getting them to point their liquidity towards
14 XRP.

15 Q Did Ripple want Ripple's efforts to
16 be transparent so it would be effectively
17 interpreted in XRP's price?

18 A I don't know if there was a
19 deliberate effort to -- no. I would say, no.

20 Q Did the company hope to distinguish
21 XRP from other assets by publishing these
22 reports?

23 A By being more transparent, possibly.

24 Q Other than being transparent about
25 it's sales, what else did the report include,

1 what other information was in the report?

2 A I recall also talking about some new
3 developments in the RippleNet ecosystem or the
4 partners that Ripple had brought to the XRP
5 Ledger sort of headline partnership
6 announcements as well that would factor into
7 that. And I think that coupled with the -- I
8 think there was also some technical updates or
9 just news around technical updates.

10 Q Did the report include Ripple's
11 efforts to include XRP liquidity?

12 A I -- I don't know what that means.

13 Q Earlier, we spoke about the need to
14 increase liquidity in order for the product to
15 work, correct?

16 A Right.

17 Q Take a step back.

18 Did the company engage in certain
19 efforts to increase liquidity?

20 A Oh, yes. Yes.

21 Q And earlier, we spoke about specific
22 efforts that the company took to increase
23 speculative liquidity, correct?

24 A Well, again, I just --

25 MR. HECKER: You want to just ask

1 the question again about the market reports?

2 MS. WAXMAN: Sure.

3 Q Did the reports include information
4 about Ripple's efforts to increase liquidity?

5 A Yes.

6 Q Did the reports talk about how
7 increased liquidity would affect the demand
8 for XRP?

9 A I don't remember.

10 Q Did the report talk about how
11 Ripple's efforts had an effect on XRP's price?

12 A Had an effect on XRP's price?

13 Q Yes.

14 MS. COWAN: You mean Ripple's
15 efforts?

16 MS. WAXMAN: Ripple's efforts.

17 Q Was it your understanding that
18 Ripple could positively influence the price of
19 XRP through it's various efforts?

20 MR. HECKER: We're stepping back
21 from the market reports now. Just, generally
22 speaking, did Ripple think they could impact
23 liquidity?

24 MS. WAXMAN: No. That wasn't the
25 question. The question is not about

1 "liquidity."

2 MR. HECKER: Sorry.

3 Q Did Ripple believe it's efforts
4 could increase the price of XRP?

5 A Increase the price, I -- no.

6 Q "No"?

7 A No. I would say, no. I mean, I
8 think there are so many things that Ripple did
9 and the price moved in ways that were just
10 kind of random.

11 MS. WAXMAN: I will have this marked
12 Exhibit 128.

13 (SEC Exhibit No. 128 was
14 marked for
15 identification.)

16 Q I'm showing you what's been marked
17 as Exhibit 128, which is an e-mail strain from
18 April 2016.

19 Please, take a look at it and let me
20 know when you're done.

21 (The witness examined the document.)

22 A Okay.

23 Q Who is "[REDACTED]" at the very
24 end of this e-mail?

25 A [REDACTED] is the CFO of Ripple

1 at this time 2016.

2 Q While you were at Ripple, was XRP
3 price a concern?

4 A Yes.

5 Q Why?

6 A Just because back to the liquidity
7 picture and -- price and volume is a function
8 of liquidity sort of the underpinning of the
9 network that we were billing.

10 Q Did people at the company monitor
11 XRP price?

12 A Yes.

13 Q Who at the company monitored XRP
14 price?

15 A Well, XRP price would have been
16 monitored alongside a number of factors and
17 that would have been coming from my team and
18 also from the finance team.

19 Q And what were they monitoring,
20 specifically, with respect to price?

21 A It's movement up and down.

22 Q And if the movement went down, did
23 they try to understand why?

24 A Yes.

25 Q And if the movement went down, was

1 there anything that the company tried to do to
2 influence it to make it go back up?

3 A Outside of its own control of what
4 it had, no, I don't -- again, I don't -- I
5 don't really know what it could have done.

6 Q If you look at the last page of the
7 exhibit --

8 A Right --

9 Q -- the very first e-mail, [REDACTED]
10 writes at the top of the last page:

11 "We continue to see downward
12 pressure on the price of XRP since Thursday.
13 While there is no guarantee of when the media
14 impact, I would like to have GSR adjust down a
15 bit our net sale target for a few days to see
16 if we can stabilize and/or increase the price
17 of XRP."

18 A Okay.

19 Q Is that what we spoke about earlier
20 kind of adjusting Ripple's XRP sales to try to
21 influence the price?

22 A Well, again, I don't know that
23 that's what that says. He's saying here
24 there's no guarantee of any impact. And Brad
25 reiterates the point it's hard to understand

1 whether this is gonna have an impact. So,
2 I...

3 Q Aside from what Brad responds, who
4 is "GSR"?

5 A "GSR" is a programatic -- is a
6 trading firm that sells and have different
7 services -- broker services and they operate a
8 trading bop, which allows for the selling or
9 buying of digital asset.

10 Q Was GSR at the time selling Ripple's
11 XRP onto the market on Ripple's behalf?

12 A Yes.

13 Q Okay.

14 So, what is he talking about
15 "adjusting down our net sale target"; what is
16 he talking about?

17 A [REDACTED]

18 Q Yes.

19 A I think that there was, at the time
20 and the way this was managed changed; so, I
21 can't remember what happened here. But I
22 think there was a dollar a target for cash
23 flow needs on a quarterly basis and I think
24 that's what he's referring to as far as his
25 targets. And those targets are set against

1 historical numbers. So you do a 30 day look
2 back or 90 day look back on trading volume or
3 price and you can derive to some forecast.

4 Q So, these adjustments, did you know
5 whether they would have an impact?

6 A No.

7 Q Did [REDACTED] offer another suggestion?

8 A I don't remember.

9 Q If you look to the first page of the
10 e-mail on 128, the bottom e-mail on April
11 10th, 2016, the middle paragraph:

12 "I think we should also look to be a
13 net buyer for the next few days at least."

14 A Okay.

15 Q Did Ripple ever buy XRP from the
16 market?

17 A I don't remember. I don't remember.
18 It's possible. It wasn't something that was
19 done a lot, if it happened at all.

20 Q Would he have done it through the
21 market makers?

22 MR. HECKER: Wait. Do you know?

23 THE WITNESS: I don't know.

24 MR. HECKER: I'm struggling; because
25 he says he doesn't know if it ever happened.

1 So, I don't know how they would have done it.

2 MS. WAXMAN: Well, he said it's
3 possible.

4 A I don't know. I can't remember a
5 specific instance.

6 Q "We need to have a more aggressive.
7 and XRP communication strategy."

8 A Okay.

9 Q "I'll gather some data points from
10 the community to show that. And
11 talk to Patrick and Monica about;
12 i.e., repurchase strategy
13 announcement mentioning XRP in the
14 treacher announcement or R3.
15 announcement." Did you discuss

16 internally issuing announcements that would
17 have a positive effect on XRP price?

18 A I -- again, I just restate the
19 announcements we made. I cannot recall any
20 announcement having made with any certainty
21 any impact on the price that we anticipated it
22 would make.

23 Q I understand you're not sure if it
24 would have an have an affect. The question
25 is, Did you ever discuss doing that with, you

1 know, issuing announcements with the hope that
2 it would have an affect on price?

3 A I don't remember. The other thing
4 to keep in mind is [REDACTED] is a junior member of
5 this team. He is an analyst.

6 Q Did this suggestion ever go up the
7 train?

8 A It's possible.

9 Q Did you ever discuss, you know, XRP
10 releasing XRP related announcements in order
11 to effect XRP's price with anyone other than
12 [REDACTED]?

13 A I don't remember.

14 MR. DANIELS: Why was it so
15 important to Ripple to counteract a downward
16 price in XRP?

17 MR. HECKER: Are you basing that
18 question on his testimony --

19 MR. DANIELS: No. I'm basing it on
20 this chain. And there's a large back and
21 forth saying "we see downward pressure in the
22 market what steps can we take to counter act
23 that"; then it this goes on for multiple
24 e-mails.

25 MR. HECKER: Right. Then your

1 question asks "why was it so important"; he
2 didn't even say anything on this chain --

3 MR. DANIELS: I mean, you were
4 having the discussions --

5 MR. HECKER: But --

6 MR. DANIELS: -- I'm just curious
7 why it mattered so much to limit the downward
8 pressure on the price?

9 A I -- again, I think the price is
10 sort of one metrics to go by in this whole
11 space. And I think it's a metrics certainly
12 that people pay attention to among other
13 metrics like volume, usage endpoints accounts,
14 wallets, integration and all those things are
15 sort of indicators of the health of the
16 network.

17 And I think that in sort of the
18 battle for liquidity, it's basically price
19 going down; it's not necessarily the greatest
20 signal for the health of the ecosystem and the
21 technology underpaying it. So, I think it
22 would have been something we would have been
23 paying attention to.

24 MS. WAXMAN: I will have this marked
25 as Exhibit 129.

1 (SEC Exhibit No. 129 was
2 marked for
3 identification.)

4 Q I'm showing you what's been marked
5 as Exhibit 129, which is an e-mail from you
6 dated November 1st, 2017.

7 (The witness examined the document.)

8 A Okay.

9 Q Do you recognize the charts that are
10 in 129?

11 A They look familiar.

12 Q Is this information that you would
13 have included in any sort of deck?

14 A I don't know.

15 Q What information is contained in the
16 e-mail?

17 A Information about the market around,
18 I think it's on, XRP -- yup. I think there's
19 also other crypto currencies. However, I
20 can't tell what that is at the bottom; it's
21 hard to read.

22 Q Were you preparing this information
23 for any reason?

24 A Just general learning what was going
25 on in the general crypto currency market.

1 Q Did this information get distributed
2 to anyone at the company?

3 A Yes.

4 Q Who did it get distributed to?

5 A I think this got distributed to Brad
6 and also to the leadership. There's a certain
7 point I remember we were sending these sort of
8 on a regular basis.

9 Q Did you have a weekly XRP sales
10 meeting with Brad and others at the company?

11 A Yes.

12 Q That meeting, was there a deck that
13 was distributed during that meeting?

14 A Yes, there was a deck we pulled up
15 on the screen.

16 Q So, there was a weekly deck?

17 A Yes.

18 Q Who prepared the deck?

19 A That would have been my team. Miguel
20 and his team would have prepared that.

21 Q Is the information in 129
22 information that would typically be included
23 in those decks?

24 A It would have -- yeah, it's
25 possible. Would have mostly been an update on

1 the market and so that would have had relevant
2 information.

3 Q At the bottom of the page you're
4 talking about "actionable insights." You say:

5 "Continue to drive interest in XRP
6 by communicating progress to the market."

7 A Okay.

8 Q What did you mean by "communicating
9 progress to the market"?

10 A Okay.

11 Again, there is so much information
12 that was out about XRP and Ripple I think it
13 is still there until this day that there was a
14 lack of understanding and awareness of the
15 things that were happening around XRP and the
16 XRP Ledger and adoption of Ripple's products
17 and in turn sort of how everything all worked
18 together. So, I think it's really just about
19 messaging and communicating about what was
20 happening and trying to fight against that is
21 my take on that.

22 Q Was there a lack of awareness of
23 specific efforts being taken by Ripple?

24 A I don't know. I just -- that's not
25 my recollection that that was sort of an

1 ongoing fight with the company I had to make
2 about fighting misinformation about the
3 technology and the company.

4 Q Well, you're not -- it says
5 "communicating progress"; it didn't really
6 talk about "fighting misinformation."

7 A Right.

8 MR. HECKER: Sorry. I think he
9 answered your question based on what he
10 remembered about what happened. You're now
11 putting something in the document and I guess
12 I'm not understanding. Are you suggesting
13 that this doesn't say what he just said?

14 MS. WAXMAN: Well, he may be talking
15 about something different than what the
16 document says. So I just want to ask him more
17 about, you know.

18 Q It says you want to "drive XRP
19 interest by communicating progress."

20 What sort of progress were you
21 talking about?

22 A Okay.

23 Well, I think progress around
24 Ripple's efforts to buildup. I think at 2017
25 it was called RippleNet. And I think sort of

1 developments around the XRP ecosystem.

2 Q Did any of RippleNet's products at
3 the time involve the use of XRP?

4 A Yes.

5 Q Which one?

6 A It would have been Xrapid is the
7 primary. I don't know if it was built out in
8 2017 at this point.

9 Q I'm trying to find the announcement
10 regarding Xrapid. My understanding is Xrapid
11 was commercially adopted in 2018?

12 A I don't know. I'm not sure.

13 Q Under that, at the very bottom of
14 the e-mail says:

15 "Separately we are looking at what
16 we can do to accelerate, prioritize XRP
17 beneficial announcements and we'll be
18 coordinating with Monica's team." Do you
19 recall discussing that?

20 A No.

21 Q Why would the company want to
22 accelerate or prioritize XRP beneficial
23 announcements?

24 A I don't know.

25 Q Would it be beneficial to XRP's

1 price?

2 A I don't know. I'm not sure.

3 Q Would it benefit XRP volume?

4 A I -- I don't know.

5 Q Why did you write that?

6 A I don't know.

7 Q Did you ever discuss with anybody
8 accelerating or prioritizing XRP beneficial
9 announcements?

10 A I don't remember.

11 Q Was that something that was
12 discussed at the company generally?

13 A XRP announcements?

14 Q Prioritizing or accelerating XRP
15 beneficial announcements?

16 A That was not something that was
17 generally talked about, no.

18 MS. WAXMAN: I will have this marked
19 as Exhibit 130.

20 (SEC Exhibit No. 130 was
21 marked for
22 identification.)

23 Q I'm showing you what's been marked
24 as Exhibit 130, which is an e-mail dated
25 January 17, 2018, you are cc'd on the e-mail.

1 The e-mail is from Monica Long.

2 A Okay.

3 Q Who is "Monica Long"?

4 A Head of marketing.

5 Q The top e-mail at the very end she's
6 talking about:

7 "Generating a wave of positive press
8 for XRP to soften a blow."

9 What "blow "is she talking about?

10 A I don't know. I think she's
11 referring to the previous sentence.

12 (The witness examined the document.)

13 Q About the:

14 "Future story that questions
15 Ripple's customers' appetites to use XRP."

16 A Yes.

17 Q Would the story have an affect on
18 XRP price?

19 A I don't know.

20 Q Did you ever discuss with Monica
21 generating positive press for XRP at any
22 point?

23 A Generating positive press?

24 Q Or issuing positive press releases?

25 A We would have just talking about

1 press releases possibly or not.

2 MS. WAXMAN: This will be Exhibit
3 131.

4 (SEC Exhibit No. 131 was
5 marked for
6 identification.)

7 Q I'm showing what's been marked as
8 Exhibit 131, which is an e-mail chain from
9 August 2017. The subject is RE: Any market
10 commentary. And I'm going to ask you about
11 the entire document. So if you would read
12 through from the very first e-mail that would
13 be great.

14 (The witness examined the document.)

15 A Okay.

16 Q Did you ever have any discussions
17 with Brad about XRP prices?

18 A Yes.

19 Q What did you discuss with him?

20 A I can't remember anything,
21 specifically.

22 Q Did he ever express any concern when
23 XRP price had decreased?

24 A Yes.

25 Q Why would that cause concern?

1 A Ripple owned XRP it's on the balance
2 sheet. So declining XRP price would have an
3 impact on Ripple's balance sheet first.

4 Second, it's again detrimental or
5 damaging to the focus around building
6 liquidity around XRP. And I think there's
7 probably a fear of prices going down, interest
8 bullying and liquidity will dry up.

9 Q Did you discuss interest the --

10 MR. HECKER: You're not asking about
11 the document; but you're looking at it. I
12 just want him to be clear. Are you asking
13 what he remembers or are you asking something
14 about the document?

15 MS. WAXMAN: I'm not asking about
16 the document.

17 MR. HECKER: You told him to read
18 it. Then you just start asking different
19 questions; it's confusing. I just think the
20 record should be clear. We're not talking
21 about the document.

22 Q Independent of the document, do you
23 recall discussions with Brad? Do you recall
24 discussing with Brad ways in which the company
25 could seek to increase the price of XRP?

1 A No. I mean, short of a whole
2 company strategy of driving volume into XRP,
3 announcements that would help with the
4 interest and drive volume and demand and --
5 no. There's no conversation on what can we do
6 to get the price up.

7 Q But you said short of announcements
8 that would drive interest in XRP?

9 A Yeah. Again, I just -- general
10 awareness, understanding what XRP is. Anybody
11 who wants to make an informed decision would
12 have to have some understanding of what was
13 going on. I think there was a lot of positive
14 things happening and that was sort of what I
15 mean by that.

16 Q Okay. Now turning to the document
17 itself, the August 12th e-mail.

18 Brad writes at the bottom:

19 "Interesting to see the markets
20 rally and XRP gets squarely left out of the
21 rally. Particular if you look at it over the
22 past seven days, XRP is the only crypto down
23 over the past week in the top 10. I'm curious
24 to hear any insights that might be driving
25 this."

1 A Okay.

2 Q And then there's an e-mail exchange
3 between him and Vias and he weighs in as to
4 why that might have happened.

5 A Yes.

6 Q On the first page of the e-mail on
7 Saturday, August 12th, 2017. You write:

8 "Seeing this e-mail exchange now;
9 was out this morning. Do you want to talk
10 live on this today?" He responds, "no, just
11 looking for some proactive leadership. I
12 continue to feel culturally that the XRP
13 market's team leans more towards analyzing,
14 observing than doing and that you and I will
15 need to keep pushing them for proactive
16 tangible steps." Who is the "XRP markets
17 team" that he is referring to?

18 A This is a part of my team that --
19 it's three people. I think at this point it's
20 Miguel, [REDACTED] and [REDACTED]

21 Q And yourself?

22 A And myself, yes.

23 Q And what did he mean by "proactive
24 tangible steps"?

25 A I don't know.

1 Q You respond:

2 "Okay, in this case the drivers for
3 stoking short term volume are largely
4 marketing. It looks like Monica is also
5 working through some issues" then you talk
6 about "the partnership announcements are
7 driven by contracts. So the only thing we can
8 do right now is to push ahead on the escrow.
9 I'll check in with Asheesh to see where we are
10 with the implementation timeline. Obviously,
11 this isn't something we want to rush." Did
12 you believe that these announcements would
13 have a positive effect on XRP prices?

14 A I don't know. I don't think there
15 is a way for us to know.

16 Q Did you think that these
17 announcements would be "a driver for stoking
18 short term volume"?

19 A I don't know.

20 Q At the bottom of the second
21 paragraph, you talk about:

22 "Partnership with a PE firm to buy
23 earth port and swap out their internal
24 treasury with XRP and we get ourselves in the
25 deal with a slug of XRP for the PE firm,

1 synergy. "

2 A Okay.

3 Q What were you talking about there?

4 A Just a way in which we could use XRP
5 to creatively buy a company that's bigger than
6 us in order to get that company to fast track
7 their adoption of XRP and our products.

8 Q Did you ever use the company's XRP
9 in connection with investments while you were
10 at the company?

11 A Oh, yes.

12 Q And when?

13 A I think the -- what comes to mind is
14 the deal we did with [REDACTED] and that's
15 the only thing that jumps out.

16 Q And did Ripple hope that the deal
17 would seek to have [REDACTED] identity
18 adopt XRP?

19 A Well, not -- well, more just I think
20 to help -- to fund an effort to build products
21 in and in turn fund other products that could
22 be built on the XRP Ledger.

23 Q And use XRP?

24 A And use XRP.

25 Q Are you familiar with the DAO report

1 the SECs issuance of the DAO report?

2 A No.

3 Q Did the SEC come out with guidance
4 in 2017 regarding digital assets and point
5 offerings?

6 A I don't remember.

7 Q Do you remember the SEC issuing any
8 sort of guidance regarding assets while you
9 were at the company?

10 A No.

11 Q You left the company in May of 2018,
12 correct?

13 A Yes.

14 Q Why did you leave?

15 A Well, I been there for six years and
16 I just had a kid and that's on the personal
17 level.

18 Then at the company, my -- I think
19 my relationship with Brad was sort of having
20 some friction largely around priorities. I
21 had one set of priorities that I felt pretty
22 strongly about. He had overlapping but wider
23 set of priorities that he wanted me to focus
24 on.

25 Q Can you be more specific?

1 A I was really focused on payment
2 systems and trying to get the payment
3 companies to connect to Ripple while trying to
4 manage the things that we were doing around
5 XRP but really focused on building out
6 RippleNet. And hoping with an eye towards
7 growing payment volume being able to move that
8 volume as much as possible through XRP and I
9 think Brad was focused on that as well. I
10 think he was also interested in having me look
11 at other non-payments businesses. I wore a
12 couple of hats at that time. I was also the
13 head of corporate development. So he was also
14 interested in exploring new business ideas
15 that were non-payments related. That I was --
16 I felt -- at least for me in my bandwidth was
17 sort of a bridge too far and I didn't have a
18 lot of excitement and enthusiasm of doing
19 that.

20 In the end, I did, with the Xpring
21 Initiative helped to launch that. But sort
22 of, you know, at that point, I been there for
23 six years and some sort of internal tussling
24 and I was ready to go.

25 Q Didn't he want you to try to build

1 business using XRP in a different way other
2 than the payments context?

3 A I think so, yes.

4 Q Other than what you have just spoken
5 about, did he have other priorities that
6 didn't align with your priorities?

7 A It's not that they didn't align; it
8 was just in addition to. And, you know, I had
9 a lot already going on and it just felt like a
10 stretch to also be able to take that on as
11 well.

12 Q Did you feel like you were being
13 forced out?

14 A No, I don't -- well, I just think it
15 sort of came to -- it really felt sort of
16 natural slowing down and I also went on
17 maternity leave. I came back after six weeks.
18 Just my enthusiasm had sort of dwindled away a
19 little bit.

20 Q When did you go on leave?

21 A I left on the end of February 2018.

22 Q When did you come back?

23 A I came back in March, as I recall,
24 roughly.

25 Q Then you left in May?

1 A Yes. So then I was there a couple
2 of months.

3 Q If you would have stayed a few extra
4 months, would you have received an additional
5 chunk of XRP under the bonus --

6 A Yes.

7 Q Did you consider that when you
8 decided, when you left?

9 A I did.

10 Q Did you leave willingly?

11 A Yes.

12 Q What is the Xpring Initiative?

13 A Well, I don't know what it is now.
14 Again, I haven't been there for two years --

15 Q At the time?

16 A At the time, it was really --
17 sorry -- it was an effort to identify new
18 businesses that could be built on top of the
19 XRP Ledger that were non-payment specific.

20 Q Were they all businesses that would
21 use XRP?

22 A Yes -- well, actually, let me walk
23 that back. They were businesses that
24 potentially could use XRP or not. I think it
25 was pretty wide open mandate; because you

1 looked across the landscape and 2017, 2018
2 there were some pretty radical ideas that
3 different companies were building across the
4 blockchain category. And a lot of those
5 ideas, some of them, were interesting and they
6 were certainly applicable to the technologies
7 that we had and that were available on the XRP
8 Ledger.

9 And so, again, in the spirit of sort
10 of intranet of value, the two things are
11 compatible and the more value in any form that
12 comes onto the XRP Ledger the more utility
13 that XRP can deliver and sort of the more
14 benefits we can create.

15 Q The more XRP is used then this more
16 demand there is for XRP, correct?

17 A Presumably.

18 Q Would an increase of demand lead to
19 increase of value of XRP?

20 A I would think under most
21 circumstances, yes.

22 Q Was that the company's business to?

23 A To increase the value --

24 Q That increased demand would lead to
25 increased value?

1 A I think you said -- again, the
2 "value" being -- the company's premise is
3 squarely rooted in the idea of intranet of
4 value and that was the premise and I think
5 there was a sort of moon shot that potentially
6 that mean it's value of XRP is going to rise
7 if the value plays out in a very theoretical
8 way. And so, I think there was certainly, I
9 think, it's positive -- I don't think anybody
10 wanted the price to go down. And so, the
11 price going up and the volume moving up, those
12 are positive things that provide more
13 resources to the company and to the ecosystem.

14 Q You mentioned ILP earlier?

15 A Yes.

16 Q How did ILP fit into Ripple's
17 business?

18 A I think the -- so again, the premise
19 of XRP and the XRP Ledger at it's origin was
20 like to build better Bitcoin. And that then
21 evolved very quickly into, hey, we can -- I
22 think when Chris Larsen came onto the scene it
23 became, Well, why don't we expand the intranet
24 of value and this platform that could really
25 move things around.

1 And so, the focus of the company was
2 to try plug as many additional -- as many
3 assets onto the XRP Ledger, digitize them and
4 make them freely tradeable across the internet
5 and all these sort of positivity externality
6 might come along with that. And what we
7 realized right around the 2014 Sibos -- it is
8 just a notable date for me -- is as I think
9 about the history here is that we were
10 starting to get a lot of traction from
11 financial institutions who simply wanted to
12 coordinate their ledger changes. And first
13 and foremost the proof there was to do that
14 was with better communication system. And
15 then, the bigger opportunity was to also
16 streamline their settlement flows and just to
17 allow them to not only communicate sort of
18 with intranet style communication systems; but
19 also to settle their transactions using
20 digital asset instead of sort of the, I think
21 the, traditional legacy ways of doing that
22 with correspondent banking.

23 And so, what we saw around that time
24 period is that really that entry point all
25 that we really needed to do was just to

1 coordinate a ledger change on one side, the
2 ledger change on the other without having to
3 first do that unnecessary step of migrating
4 all of their assets onto the system. And that
5 realization is really sort of the root of the
6 interledger protocol.

7 Q How does the company if at all make
8 money from the interledger protocol?

9 A Again, I think it's rooted in XRP
10 and rooted in software services. I think that
11 first and foremost, is sort of classic
12 intraclass style for a business that the
13 company can develop to sell these sort of
14 connecting tools into financial institutions.

15 And then, I think again, if the
16 theory is right and the value of digital
17 assets not having counterparties and being
18 able to move around the world without any cost
19 and in realtime plays out, then that value is
20 still there whether or not the assets are
21 plugged into that ledger or not so long as you
22 can move in and out of that ledger without
23 incurring additional costs and risks.

24 And so, that's the premise of the
25 intraledger protocol, that you can move in and

1 out of any ledger without additional risk
2 without having that sort of clunkier
3 requirement of getting everything onto that
4 one ledger and I think that was the premise.

5 So, it's sort of nothing changed as
6 far as what we can do; it's just to widen the
7 field a little bit more.

8 Q It was non-XRP specific?

9 A It is non-XRP specific. But again I
10 think, Ripple's viewpoint is look rather than
11 try to battle it out in a war of garden,
12 that's just not the way the world is going.
13 Let's battle it out on eras open it up,
14 connect any ledger together. And whatever
15 digital asset within that ecosystem has the
16 benefits of, you know, that are sort of most
17 beneficial for payment flows, settlement flows
18 and that should win. And a key part of that
19 is does it have liquidity, does it have
20 volume, and suspicion price discovery and all
21 of the technical components as well of the
22 asset.

23 And so, that's sort of the origin.

24 Q Thank you.

25 MS. WAXMAN: It's 5:45. I want to

1 thank you very much for sitting here. I know
2 it was a very long day. We appreciate it. If
3 we have any additional questions, we will
4 reach out to counsel.

5 THE WITNESS: Okay.

6 MS. WAXMAN: We are off the record
7 at 5:45 p.m.

8 (Whereupon, at 5:45 p.m., the
9 examination was concluded.)

10 * * * * *

PROOFREADER'S CERTIFICATE

In The Matter of: RIPPLE LABS, INC.

Witness: Patrick Griffin

File Number: NY-09875-A

Date: Wednesday, February 12, 2020

Location: New York, NY

This is to certify that I, Maria E. Paulsen,
(the undersigned), do hereby certify that the
foregoing transcript is a complete, true and accurate
transcription of all matters contained on the recorded
proceedings of the investigative testimony.

(Proofreader's Name) (Date)

C E R T I F I C A T E

The undersigned stenographer hereby
certifies:

That the foregoing deponent was duly sworn
by myself and this transcript is a true record of the
testimony by the witness and of all objections made by
counsel at the time and place detailed herein.

That I am not related to any of the parties
in this action by blood or by marriage That I am in
no way interested in the outcome of this litigation.

IN WITNESS WHEREOF, I have hereunto set my
hand this 12th day of February 2020.

signature _____

LESLEY SIMPSON

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